

TIGARD WATER DISTRICT BOARD OF COMMISSIONERS

Serving the Unincorporated Area

**Tigard Water Building Auditorium
8777 SW Burnham Street, Tigard, Oregon**

**Monday, August 27, 2007
7:00 p.m.**

Members Present: Julie Russell, Bert Cornick, Ken Henschel, Kinton Fowler,
and Charles Radley
Members Absent: None
Staff Present: John Goodrich and Twila Willson
Visitors: Barbara Sherman (Tigard Times)

TWD Attorneys Clark Balfour and Eileen Eakins attended portions of the meeting via telephone.

1. Call to Order, Roll Call and Introductions

The regular meeting of the Tigard Water District (TWD) was called to order by Commissioner Charles Radley at 7:01 pm. Staff called roll and all Board members were present.

Mr. Balfour (legal counsel to the Board) was in attendance via telephone and requested the agenda be restructured in order to hold the Executive Session earlier in the meeting.

Chair Radley stated the message received from Mr. Balfour dealt with the staff support transition plan and the City of Tigard decision to not provide use of the Water Building for the TWD to store records or set up office space. Chair Radley instructed staff to telephone Mr. Balfour to discuss other options. Mr. Balfour recommended amending the agenda to hold executive session at that time.

A motion was made by Commissioner Henschel to amend the agenda to start the executive session early; Commissioner Russell seconded that motion. The motion was passed by unanimous vote, with Commissioners Cornick, Fowler, Henschel, Radley and Russell voting yes.

Chair Radley motioned that the Tigard Water District Board would go into Executive Session under the provisions of ORS 192.660 (2) (f) & (h) to discuss information or records that are exempt from disclosure and current or pending litigation; Commissioner Russell seconded the motion. The motion was approved by unanimous vote, with Commissioners Russell, Cornick, Henschel, Fowler and Radley voting yes.

The regular meeting recessed at 7:11 p.m. and Executive Session was convened.

At 7:59 p.m. the regular meeting of the TWD was again called to order following the Executive Session. Mr. Balfour was no longer on the telephone, however, Ms. Eakins (the Board's other legal counsel) was on the telephone upon reconvening the regular meeting.

Further changes to the agenda were addressed in Item 9 while legal counsel was on the telephone.

9. Staff Support – Transition Plan

Chair Radley reviewed with Ms. Eakins that Mr. Balfour had been negotiating with the City of Tigard attorney about the staff support transition plan. The City of Tigard will discontinue their administrative services for the TWD on September 30, 2007. Chair Radley said the TWD wanted to make sure they followed the proper contracting rules and laws; he reviewed briefly past history of support with the TWD and the type of service the TWD would require.

Ms. Eakins recommended the TWD adopt new public contracting rules according to the attorney general model rules and guidelines with some individualized modifications to selected items through a resolution. She recommended drafting a definition of the services needed and then deciding how to award personal services contracts for the services. She asked the Board to consider whether they wanted to contract all the services out or hire employees to handle some of those services. Discussion among Board members followed which included some of the suggested services they would require and the contracting process:

- Contracting services would avoid liability risks involved with employees
- Financial services
- Administrative services
- Bookkeeping services are cheaper than accounting services
- Bid/quotes are not exempt from disclosure, but are public record upon opening of the bids
- Secretarial services
- Accounting services
- Contracting process of receiving bids for services

Chair Radley said he has already received bids or emails from five different candidates for the services, however only one bidder said they could do all the requested services.

Ms. Eakins recommended preparation and adoption of a resolution for public contracting rules. The next step would be to enter into the bidding process and make the selection for contracted services. The information already received could be considered, but she advised the Board against taking any action toward a contract for services until the proper steps have been followed; this would avoid a potential challenge for entering into contract without authority. Ms. Eakins said she could prepare the required documents within a week.

The Board discussed holding a special meeting the next week to adopt the rules and kick off the bidding process for the scope of services. The special meeting was tentatively scheduled for Tuesday, September 4; Mr. Goodrich would check on room availability. Chair Radley wanted to be able to award the contract at the next regularly scheduled TWD meeting on September 24, 2007. The timeframe discussed would allow 20 days for vendors to respond with their bids before the bid opening.

Chair Radley will provide the attorney with a list of ten items outlining the required scope of services to be included in the document, including attorney services.

The Board ended the telephone conversation with Ms. Eakins and returned to Item 2 on the agenda.

2. Approval of Minutes: June 25, July 30, August 14 Special Meeting, and August 20 Special Meeting

Comments of the various meeting minute dates are as follows:

June 25, 2007 meeting - discussion comments:

The Board discussed several issues with the minutes and suggested additional detail be added. Commissioner Russell volunteered to provide a more detailed summary of the minutes and submit for Board consideration.

Chair Radley motioned to have Commissioner Russell provide a more detailed summary of the discussion of Resolution 07-02 (Item 6) of the June 25, 2007, meeting and present it to the Board as soon as possible; Commissioner Cornick seconded the motion. Commissioner Henschel wanted to include a time limit in the motion that the summary be included on the agenda for the September 4, 2007 meeting for approval as an addendum to the June 25, 2007, minutes. The motion was approved by unanimous vote, with Commissioners Russell, Cornick, Henschel, Fowler and Radley voting yes.

The Board later revisited the **June 25 minutes** and requested reflection of the three “Commissioners-Elect” in attendance.

July 30, 2007 meeting - discussion comments:

The Board discussed proposed changes to these minutes.

Commissioner Fowler motioned to approve the minutes of the July 30, 2007 meeting as corrected; Commissioner Henschel seconded the motion. The motion was approved by unanimous vote, with Commissioners Russell, Cornick, Henschel, Fowler and Radley voting yes.

August 14, 2007 meeting - discussion comments:

The Board discussed several proposed changes to the minutes. Commissioner Russell volunteered to draft proposed revisions to one item; the Board agreed to address the revisions to these minutes later in the meeting or at a future meeting.

The Board, later in the meeting, came back to these minutes and considered draft changes that Commissioner Russell provided.

Commissioner Fowler motioned to approve the August 14, 2007 minutes as amended; Commissioner Cornick seconded the motion. The motion was approved by a unanimous vote, with Commissioners Russell, Cornick, Henschel, Fowler and Radley voting yes.

August 20, 2007 meeting:

Following a brief discussion of the minutes, a motion was made. **Commissioner Fowler motioned to approve the August 20, 2007, minutes as prepared; Commissioner Henschel seconded the motion. The motion was approved by unanimous vote, with Commissioners Russell, Cornick, Henschel, Fowler and Radley voting yes.**

3. Public Comments - None

4. Discuss Draft Change to King City Urban Services Agreement

Chair Radley has discussed this agreement with Mr. Balfour, who was familiar with the agreement. The addendum adds the City of Tualatin due to their common boundary with King City. Chair Radley suggested inviting someone from Washington County to visit the TWD to explain the agreement.

Commissioner Russell was concerned that Mr. Balfour may be in violation of representing the TWD, and suggested they consult Ms. Eakins about that concern.

Commissioner Henschel motioned that the Board defer to their attorney's recommendations (either Mr. Balfour or Ms. Eakins) rather than invite Washington County or King City representation to make a presentation, and this item will be addressed at the regular meeting on September 24, 2007, as an agenda item; Chair Radley seconded the motion. The motion was approved by unanimous vote, with Commissioners Russell, Cornick, Henschel, Fowler and Radley voting yes.

The Board set a policy to have all contracts and legal documents/agreements reviewed by legal counsel before making any decisions. The Board requested that Chair Radley advise Ms. Eakins to add that policy to the rules she will be drawing up for approval.

5. Discuss Possible Dates for Water Facilities Tour

The Board reviewed and discussed their available dates for the water facilities tour.

6. Discuss Televising Future Meetings

Board discussion included:

- the expensive costs (\$700 - \$900 was estimated)
- apparent lack of interest by citizens
- boring to watch
- opportunity to make citizen's aware and improve the Board's profile
- not budgeted for on this year's budget
- possibly will revisit at a later date when budget allows

7. Discuss Registered Office and Records Storage

Chair Radley suggested lumping together Agenda Items 7, 8, 9 together, however the remainder of the Board wanted to discuss separately.

Chair Radley shared a discussion he had with Michael Salsbury from the county and thought that for the quantity of records they have, which is rather small, it would be recommended to contract with Iron Mountain. Commissioner Henschel objected to discussing potential vendors, stating it would prejudice other vendors, and suggested no specific names should be mentioned. Commissioner Cornick recommended tabling the discussion.

Commissioner Russell motioned to authorized Mr. Balfour to respond to the City of Tigard regarding administrative services, storage of records, and access to and use of the Water Building; Commissioner Henschel seconded the motion. The motion was approved by unanimous vote, with Commissioners Russell, Cornick, Henschel, Fowler and Radley voting yes.

Chair Radley requested the key to PO Box 23000, in the TWD name. There was some discussion about mail pick up, box fees, and how to handle the transition. The Board also requested that the City of Tigard not use Chair Radley's address as a contact for other sources.

Chair Radley declared the Board was now in workshop to discuss services.

Type of vendors and services needed

- Help contacting vendors
- Consider mixing and matching vendors for the services needed
- Check with other districts and agencies
- Administrative services needed (notes, minutes, correspondence, etc.)
- Financial services (with local government experience for the budget process)
- Bookkeeping services
- The Board referenced a list of ten items on the Scope of Services (based on current Board activity levels) document. Commissioner Fowler said he could easily handle items 1-4 on the list which were simple services, but he would need to meet with Mr. Dawes (City of Tigard Finance Dept) for transfer of information and an orderly handoff.
- Mr. Goodrich would arrange meeting as quickly as possible between Mr. Dawes and Commissioner Fowler
- Chair Radley has received clarification about the Fed Tax ID number
- Commissioner Fowler could arrange to open the bank account
- Could not select a bank vendor until the rules were in place

8. Discuss Audit of District

Commissioner Fowler said CPA municipal audits are very expensive and complex with ORS 297 and 465; the Board may not want to continue with the audit. Commissioner Fowler said he could get the information after a review of history with the City of Tigard's Finance Department. He did not think it would be difficult to review the integrity in the process.

Commissioner Henschel stated that he would still like to see an audit and requested a scope be developed with a cost estimate. Commissioner Fowler said he would need to review the records before a scope could be developed. The cost would be far more than the TWD budgeted for. Commissioner Henschel volunteered to assist Commissioner Fowler with the financial review.

Chair Radley proposed that Commissioner Fowler meet with Roger Dawes to discuss options and procedures for a handoff of TWD financial records and gain understanding of the current financial processes and report back to the Board; Commissioner Cornick seconded the motion. The motion was approved by unanimous vote, with Commissioners Cornick, Fowler, Henschel, Radley and Russell voting yes.

9. Staff Support – Transition Plan

Commissioner Charles Radley motioned to authorize Ms. Eakins to prepare contracting rules for personal services and general services for the Board to discuss and consider for the September 4, 2007 Special Meeting; Commissioner Henschel seconded the motion. The motion was approved by unanimous vote, with Commissioners Cornick, Fowler, Henschel, Radley and Russell voting yes.

Chair Radley entertained Board assistance in obtaining information from other agencies and districts; Commissioners Henschel and Russell volunteered to assist with that task.

10. IWB Update

Commissioner Russell reported that at the August 8, 2007 meeting, the IWB motioned to approve the Water Building lease with the City of Tigard. The vote was four to one to approve the lease; she was the dissenting vote. The IWB discussion included the valuing of improvements and the city's attorney responded that they used straight-line depreciation.

The TWD discussed this portion of the update and questioned the IWB's decision. Commissioner Russell reported that the lease did not include the map which included the square footage of the property or the calculations of how the lease amount was reached, which she requested be added as an addendum. This request was satisfied and the lease was passed.

Commissioner Russell summarized other items discussed at the IWB meeting.

The Board discussed the depreciation issue and asked Chair Radley to speak with Ms. Eakins for counsel on the issue.

11. Non-agenda Items

Travel and lodging expenses were presented to the Board by Commissioner Henschel for attending the Special District meetings in Newport. Chair Radley commended those Board members who attended this training, which will ultimately be a great benefit to the District.

Chair Radley motioned to approve payment of the expenses and the Board requested the City of Tigard to reimburse the expenses; Commissioner Russell seconded the motion. John Goodrich referred to the TWD's operating guidelines limiting the reimbursement to \$50 maximum per diem per day. Discussion followed regarding per diem and the federal rates. The guidelines were read and the Board interpreted the expenses not to fall under that guideline. **The motion was approved, with Commissioners Russell, Radley, Cornick, and Fowler voting yes; Commissioner Henschel abstained.**

12. Set Next Meeting Date – September 24, 2007, at 7:00 p.m., Tigard Water Building Auditorium, 8777 SW Burnham Street, Tigard, Oregon

A Special Meeting was scheduled for September 4, 2007, at 7:00 p.m., the location to be determined. The Agenda items should include:

- Contracting Rules
- June 25 Meeting Minutes
- Possibly the Financial Report from Commissioner Fowler

(Commissioner Fowler will be out of town and not in attendance at the September 24 meeting.)

13. Recess Regular Meeting and Convene Executive Session - Addressed previously. No executive session was held at this time. Refer to the executive session held at the beginning of the meeting under Item 1.

14. Reconvene Regular Meeting and Consider Matters From Executive Session, if any This agenda item was addressed earlier in the meeting.

15. Adjournment

Commissioner Henschel motioned to adjourn the meeting; Commissioner Russell seconded the motion. The motion was approved by unanimous vote, with Commissioners Cornick, Fowler, Henschel, Radley and Russell voting yes. The meeting adjourned at 10:08 p.m.

Twila Willson
Twila Willson, TWD Recording Secretary

Date: 9/27/07